§112.4

Sanitize means to adequately treat cleaned surfaces by a process that is effective in destroying vegetative cells of microorganisms of public health significance, and in substantially reducing numbers of other undesirable microorganisms, but without adversely affecting the product or its safety for the consumer.

Sewage sludge biosolids means the solid or semi-solid residue generated during the treatment of domestic sewage in a treatment works within the meaning of the definition of "sewage sludge" in 40 CFR 503.9(w).

Soil amendment means any chemical, biological, or physical material (such as elemental fertilizers, stabilized compost, manure, non-fecal animal byproducts, peat moss, perlite, pre-consumer vegetative waste, sewage sludge biosolids, table waste, agricultural tea and yard trimmings) intentionally added to the soil to improve the chemical or physical condition of soil in relation to plant growth or to improve the capacity of the soil to hold water. The term soil amendment also includes growth media that serve as the entire substrate during the growth of covered produce (such as mushrooms and some sprouts).

Spent sprout irrigation water means water that has been used in the growing of sprouts.

Stabilized compost means a stabilized (i.e., finished) biological soil amendment produced through a controlled composting process.

Static composting means a process to produce stabilized compost in which air is introduced into biological material (in a pile (or row) that may or may not be covered with insulating material, or in an enclosed vessel) by a mechanism that does not include turning. Examples of structural features for introducing air include embedded perforated pipes and a constructed permanent base that includes aeration slots. Examples of mechanisms for introducing air include passive diffusion and mechanical means (such as blowers that suction air from the composting material or blow air into the composting material using positive pressure).

Surface water means all water open to the atmosphere (rivers, lakes, reservoirs, streams, impoundments, seas, estuaries, etc.) and all springs, wells, or other collectors that are directly influenced by surface water.

Table waste means any post-consumer food waste, irrespective of whether the source material is animal or vegetative in origin, derived from individuals, institutions, restaurants, retail operations, or other sources where the food has been served to a consumer.

Turned composting means a process to produce stabilized compost in which air is introduced into biological material (in a pile, row, or enclosed vessel) by turning on a regular basis. Turning is the process of mechanically mixing biological material that is undergoing a composting process with the specific intention of moving the outer, cooler sections of the material being composted to the inner, hotter sections.

Visitor means any person (other than personnel) who enters your covered farm with your permission.

Water distribution system means a system to carry water from its primary source to its point of use, including pipes, sprinklers, irrigation canals, pumps, valves, storage tanks, reservoirs, meters, and fittings.

We means the U.S. Food and Drug Administration (FDA).

Yard trimmings means purely vegetative matter resulting from landscaping maintenance or land clearing operations, including materials such as tree and shrub trimmings, grass clippings, palm fronds, trees, tree stumps, untreated lumber, untreated wooden pallets, and associated rocks and soils.

You, for purposes of this part, means the owner, operator, or agent in charge of a covered farm that is subject to some or all of the requirements of this part.

§112.4 Which farms are subject to the requirements of this part?

(a) Except as provided in paragraph (b) of this section, a farm or farm mixed-type facility with an average annual monetary value of produce (as "produce" is defined in §112.3(c)) sold during the previous 3-year period of more than \$25,000 (on a rolling basis), adjusted for inflation using 2011 as the baseline year for calculating the adjustment, is a "covered farm" subject

to this part. Covered farms subject to this part must comply with all applicable requirements of this part when conducting a covered activity on covered produce.

(b) A farm is not a covered farm if it satisfies the requirements in §112.5 and we have not withdrawn the farm's exemption in accordance with the requirements of subpart R of this part.

§112.5 Which farms are eligible for a qualified exemption and associated modified requirements based on average monetary value of all food sold and direct farm marketing?

- (a) A farm is eligible for a qualified exemption and associated modified requirements in a calendar year if:
- (1) During the previous 3-year period preceding the applicable calendar year, the average annual monetary value of the food (as defined in §112.3(c)) the farm sold directly to qualified endusers (as defined in §112.3(c)) during such period exceeded the average annual monetary value of the food the farm sold to all other buyers during that period; and
- (2) The average annual monetary value of all food (as defined in §112.3(c)) the farm sold during the 3-year period preceding the applicable calendar year was less than \$500,000, adjusted for inflation.
- (b) For the purpose of determining whether the average annual monetary value of all food sold during the 3-year period preceding the applicable calendar year was less than \$500,000, adjusted for inflation, the baseline year for calculating the adjustment for inflation is 2011.

§112.6 What modified requirements apply to me if my farm is eligible for a qualified exemption in accordance with §112.5?

- (a) If your farm is eligible for a qualified exemption in accordance with §112.5, you are subject to the requirements of:
 - (1) This subpart (General Provisions);
 - (2) Subpart O of this part (Records);
- (3) Subpart Q of this part (Compliance and Enforcement); and
- (4) Subpart R of this part (Withdrawal of Qualified Exemption).
- (b) In addition, you are subject to the following modified requirements:

- (1) When a food packaging label is required on food that would otherwise be covered produce under the Federal Food, Drug, and Cosmetic Act or its implementing regulations, you must include prominently and conspicuously on the food packaging label the name and the complete business address of the farm where the produce was grown.
- (2) When a food packaging label is not required on food that would otherwise be covered produce under the Federal Food, Drug, and Cosmetic Act, you must prominently and conspicuously display, at the point of purchase, the name and complete business address of the farm where the produce was grown, on a label, poster, sign, placard, or documents delivered contemporaneously with the produce in the normal course of business, or, in the case of Internet sales, in an electronic notice.
- (3) The complete business address that you must include in accordance with the requirements of paragraph (b)(1) or (2) of this section must include the street address or post office box, city, state, and zip code for domestic farms, and comparable full address information for foreign farms.

§ 112.7 What records must I establish and keep if my farm is eligible for a qualified exemption in accordance with § 112.5?

If your farm is eligible for a qualified exemption in accordance with §112.5:

- (a) You must establish and keep records required under this provision in accordance with the requirements of subpart O of this part, except that the requirement in §112.161(a)(4) for a signature or initial of the person performing the activity is not required for sales receipts kept in the normal course of business. Such receipts must be dated as required under §112.161(a)(4).
- (b) You must establish and keep adequate records necessary to demonstrate that your farm satisfies the criteria for a qualified exemption that are described in §112.5, including a written record reflecting that you have performed an annual review and verification of your farm's continued eligibility for the qualified exemption.